



Foreign Agricultural Service

**GAIN Report**

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## **Canada**

### **Trade Policy Monitoring**

### **International Trade Minister Announces WTO**

### **Consultations with U.S.**

## **2001**

Approved by:

**Kathleen M. Wainio**

**U.S. Embassy**

Prepared by:

Matthew A. Cahoon

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#### **Report Highlights:**

Canadian Trade Minister Pierre Pettigrew announced that Canada has requested consultations with the United States on legislation that prohibits the U.S. from fully implementing WTO rulings in trade remedy cases. The consultations pertain to U.S. legislation that bars the refunding of estimated duties collected for certain imports where the WTO Dispute Settlement Body has ruled that the original decision to impose those duties was inconsistent with the WTO obligations of the United States.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1], CA

## **PETTIGREW ANNOUNCES WTO CONSULTATIONS WITH U.S. OVER SOFTWOOD LUMBER**

On January 17, 2001, Canadian International Trade Minister Pierre Pettigrew announced that Canada has requested consultations with the United States on legislation that prohibits the U.S. from fully implementing WTO rulings in trade remedy cases.

"We want to eliminate an unjust burden on Canadian exporters," said Mr. Pettigrew. "Addressing this issue now allows us to continue defending the interests of Canada's softwood lumber sector."

The consultations being requested by Canada pertain to U.S. legislation that bars the refunding of estimated duties collected for certain imports where the WTO Dispute Settlement Body has ruled that the original decision to impose those duties was inconsistent with the WTO obligations of the United States.

The request for consultations is the first step in dispute settlement proceedings under the WTO Understanding on Dispute Settlement.

### **Background**

On January 17, 2001, Canada formally requested WTO consultations with the United States over the consistency of certain provisions of U.S. legislation (Section 129(c)(1) of the *Uruguay Round Agreements Act*) in relation to that country's WTO obligations. Under WTO rules, these consultations are to take place within 30 days of making the request.

Section 129(c)(1) provides that where, in response to an adverse WTO ruling, the United States Trade Representative (USTR) directs the U.S. Department of Commerce to revoke an anti-dumping or countervailing duty order, the new WTO-consistent determination and the revocation apply only to imports after the date on which the USTR directs compliance.

The measures require U.S. authorities to disregard a WTO ruling in making an anti-dumping or countervailing duty determination for imports that occurred prior to the date on which the USTR directs compliance with the WTO ruling. The actual amount of duty liability for any given shipment normally is decided in the administrative review, and the Department of Commerce's final determination in the proceeding. This determination would occur after the compliance date. As such, the measures bar the refunding of certain anti-dumping/countervailing duty deposits which are required under U.S. law, where the WTO has ruled the levying of such duties to be inconsistent with the WTO Agreement.

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Contact FAS/Ottawa by e-mail: [usagr@istar.ca](mailto:usagr@istar.ca)